42-045-00070
Bruce Augustine

Monroe Energy, LLC
4101 Post Road
Trainer, PA 19061
(610) 364-8000

March 29, 2017

FedEx: 7787 3645 9536

Mr. James Rebarchak
Air Quality Program Manager
Commonwealth of Pennsylvania
Department of Environmental Protection
2 East Main Street
Norristown, PA 19401

MAR 3 0 2017

Re: Request for Compliance Extension

Dear Mr. Rebarchak:

The purpose of this letter is to request an extension of the compliance deadline for the new miscellaneous process vent maintenance vent requirements in §63.643(c), §63.655(g)(13), and §63.655(i)(12), the QA/QC requirements for continuous parameter monitoring systems (CPMSs) in Table 41 to 40 C.F.R. Part 63 Subpart UUU and the fluidized catalytic cracking unit (FCCU) regenerator oxygen concentration requirements, which were included in the final Refinery Sector Rule, published by EPA at 80 Fed. Reg. 75178 (Dec. 1, 2015). Among other things, this rule revised and amended the NESHAP standard for petroleum refineries, 40 C.F.R. Part 63 Subparts CC and UUU. As the Title V permitting authority for the Southeastern Region of Pennsylvania, you have authority to grant a compliance extension for NESHAP emissions standards of up to 1 year pursuant to Clean Air Act § 112(i)(3)(B) and 40 C.F.R. § 63.6(i).

I. Background

CAA § 112(i)(3)(B) allows EPA and states to grant "an extension permitting an existing source up to 1 additional year to comply with [MACT standards] if such additional period is necessary for the installation of controls." EPA has construed this authority broadly. When it established implementing regulations for compliance extensions, EPA observed that compliance extensions are available "for adding controls ***and other compliance measures*** requiring time beyond that which we anticipated in establishing the compliance date for NESHAP." 66 Fed. Reg. 16318, 16328 (Mar. 23, 2001) (emphasis added). These "other compliance measures" include "obtaining or implementing technology hardware or software systems and process changes to accommodate pollution prevention or other emission reduction measures." *Id.*

Similarly, in the 2013 Industrial Boiler MACT final reconsideration rule, EPA explained that a broad range of factors could support a compliance extension, including: (1) the large number of

other pollution control retrofit projects and the resulting competition for vendor and equipment resources; and (2) the installation of replacement energy sources (rather than retrofitting existing affected sources). 78 Fed. Reg. 7138, 7143 (Jan. 31, 2013). Also in that rule, EPA amended Table 10 (which indicates which of the Part 63 General Provisions are applicable, including the compliance extension provision) to state that "[f]acilities may also request extensions of compliance for the installation of combined heat and power, waste heat recovery, or gas pipeline or fuel feeding infrastructure as a means of complying with this subpart." *Id.* at 7205. EPA asserted a similar view in 2012 when it promulgated the Mercury and Air Toxics Standard for utility power plants. 77 Fed. Reg. 9304, 9410 (Feb. 16, 2012)(compliance extensions should be "broadly available").

In sum, EPA has definitively interpreted the term "installation of controls" broadly to include a wide range of measures needed to ensure compliance with MACT emissions standards. These measures include the actual installation of emissions control equipment, but also include other related activities such as making process changes and installing or amending process control equipment.

II. This Request is Timely

EPA's MACT compliance extension rules provide that the extension request must be submitted in writing to the appropriate authority no later than 120 days prior to the affected source's compliance date. *Id.* at § 63.6(i)(4)(i)(B). Because the compliance deadline for the provisions covered by this request is August 1, 2017, and because this request is being filed prior to April 1, 2017 this extension request is timely.

III. Justification for This Request

EPA's rules specify that an extension request must include certain elements, including a description of the controls and other compliance measures necessary to ensure compliance with the provisions for which an extension is being requested. 40 C.F.R. § 63.6(i)(6)(i). As discussed below, several aspects related to the provisions for which an extension is being requested are the subject of an industry reconsideration request[1] as well as a subsequent request for regulatory clarification[2]. In addition, several new compliance and interpretation issues have recently been identified, and these issues will be included in a second request for clarification and technical corrections to be submitted to EPA shortly.

Resolution of these aspects is vitally important to our Company's ability to comply with the new regulatory provisions, and while discussions on these aspects are progressing, a timely resolution is not expected. As such, we will not be in a position to comply with these provisions on August 1, 2017, and consequently a one-year extension is being requested.

A. Maintenance Vent Requirements

---

[1] API/AFPM Supplemental Request for Administrative Reconsideration of Targeted Elements of EPA's Final Rule "Petroleum Refinery Sector Risk and Technology Review and New Source Performance Standards; Final Rule", February 1, 2016.

2 API/AFPM email to Penny Lassiter, July 12, 2016.

§63.643(c) establishes a new compliance alternative for miscellaneous process vents (MPVs) that meet certain conditions such that these vents can be designated as maintenance vents. Under §63.643(c)(1)(i), maintenance vents cannot be opened to the atmosphere until the equipment has been drained and depressured to a control device, and the vapor in the equipment served by the vent has a lower explosive limit (LEL) of less than 10 percent. Limited alternatives are provided for situations where the LEL cannot be measured and for equipment containing less than 72 lb. VOC. In certain situations, these requirements create an infeasible compliance situation, and jeopardizes the safety of our operations.

Specifically, in order to isolate equipment to allow it to be drained, depressured, and chemically cleaned prior to opening to the atmosphere for maintenance, facility personnel must often install one or more blinds. These blinds perform a critical safety function by preventing hydrocarbons from leaking into the equipment on which work is to be performed. The process of installing these blinds, it appears, creates a maintenance vent subject to the (c)(1) requirements. In many cases this will create a situation of potential non-compliance as the vapors in the equipment will be above 10% LEL. Alternative compliance options such as those in §63.643(c)(1)(iii) [the equipment must contain less than 72 pounds of VOC] or classification of the vent as a Group 2 MPV [VOC emissions must be less than 72 pounds/24 hours] are also not feasible for many blinding situations. Industry is working with EPA to address this important safety and compliance concern, but timely resolution is not expected. Therefore, a one-year extension is requested to allow time for industry and EPA to address this concern, and for our facilities to implement the agreed upon compliance measures.

Additionally, in developing specific compliance plans, we and other refiners are finding a great many situations where applicability of the maintenance vent alternative is unclear (e.g., how does it apply to storage vessels and associated equipment). It is anticipated that clarifying the applicability of these provisions will take considerable time, but timely resolution is not expected. A one-year extension is requested to allow time for industry and EPA to address these concerns.

§63.655(g)(13) and (i)(12) impose infeasible reporting and recordkeeping requirements on maintenance vents. These provisions require that for every maintenance vent opening complying with the requirements of §63.643(c)(1)(iii) [the equipment must contain less than 72 pounds of VOC], the facility must maintain records that identify the maintenance vent, the process units or equipment associated with the maintenance vent, the date of maintenance vent opening, and records used to estimate the total quantity of VOC in the equipment at the time the maintenance vent was opened to the atmosphere.

During the course of a year, any given refinery will have thousands of such openings. For example, activities that require unbolting and bolt-up -- such as replacing orifice plates, rotating existing valves in place, replacement of pumps, valves, filters, screens, strainers, lube oil systems, pressure instruments and analytical equipment, sight glasses and rotameters-- are all activities potentially subject to the maintenance vent provisions. To

require the facility to maintain detailed records on each such opening serves no purpose and creates a situation where compliance cannot be assured even with best efforts. Furthermore, this requirement is inconsistent with the recordkeeping and reporting requirements associated with the other maintenance vent compliance options, where records and reporting are only required for those openings that did not comply with the requirements.

EPA appears to recognize the compliance infeasibility and burden issues associated with these recordkeeping and reporting requirements, but a timely resolution is not expected. Therefore a one-year extension is requested to allow time for industry and EPA to address these concerns, and for our facilities to implement the agreed upon compliance measures.

B. CPMS Requirements in Table 41 to 40 CFR Subpart UUU

Table 41 to 40 CFR Subpart UUU and some requirements in the regulatory text of this subpart call for various daily, monthly, and quarterly calibrations and inspections of CPMSs. However, it is unclear how these calibrations and inspections should be conducted, and whether the CPMSs must be shutdown and removed from the equipment in order to complete these requirements. For instance, the rule requires a facility to "inspect all components for leakage" or "inspect all components for integrity and all electrical connections for continuity, oxidation, and galvanic corrosion." Unless these inspections can be done visually, the CPMS would have to be taken out of service to remove the necessary components for inspection, which would result in significant downtime of the CPMS. In addition, in order to safely perform monthly inspections of the voltage, secondary current, or total power input sensors in an electrostatic precipitator (ESP), a portion of the ESP would need to be taken out of service thereby reducing its efficiency for controlling opacity and particulate matter from the fluidized catalytic cracking unit (FCCU). This issue could be resolved by conducting these inspections visually while the ESP remains in operation or when the FCCU is shutdown. Industry is working with USEPA to address these issues, but timely resolution is not expected. Therefore, a one-year extension is requested to allow time for industry and USEPA to address these concerns, and for the refinery to implement the agreed upon compliance measure.

C. FCCU Regenerator Oxygen Concentration

The FCCU alternative organic HAP standard for startup, shutdown and hot standby events in 40 C.F.R. § 63.1565(a)(5)(ii) requires maintaining the oxygen (O2) concentration in the regenerator exhaust gas at or above one percent by volume on a dry basis. However, the process O2 analyzers used at the refinery provide O2 values on wet basis, but based on the moisture content in the exhaust gas, the wet values should always be lower than the calculated dry values, making it unnecessary to convert the wet values to a dry basis using a moisture correction factor. Industry is working with USEPA to address this issue, but it is unclear whether it will be resolved before the August 1, 2017 compliance date. Therefore, a

one-year extension is requested to allow time for industry and USEPA to address these concerns, and for the refinery to implement the agreed upon compliance measure. Additionally, Monroe Energy may submit an Alternative Monitoring Plan proposing to measure the O2 concentration on a wet basis.

IV. Conclusion

Thank you for your consideration of this compliance extension request. If you have questions or need additional information, please do not hesitate to contact Matthew Allen Torell, P.E. at (610) 364-8399.

Sincerely,

Jeffrey K. Warmann
CEO and President

cc: U.S. EPA, Region III
Director, Air Protection Division
Mail Code 3AP00
1650 Arch Street
Philadelphia, Pa 19103-2029

FedEx: 7787 3657 4995